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Chief of Station, [REDACTED]

25X1A6a

Chief, FE Support Base, [REDACTED]

INFO: C/FE, GCP, Dir. of Log.,
Controller, FE/S

Administrative

Financial and Material Control of Property Assets

Reference: A. Memo to Chief, FE Support Base, dtd 15 Sept 78 (attached)
B. Table of Organization Changes, dtd 15 Sept 78 (attached)

1. Attached study (reference A) confirms my personal opinion that the Supply Control Center as currently operated at the FE Support Base contributes nothing of real value to our operations--support or otherwise. I agree that because of its existence a somewhat effective pressure has been exerted on inventory problems which has resulted in improved supply record keeping. This result does not, however, justify the continued existence of the Supply Control Center.

2. The Supply Control Center system has failed in the following important respects:

- a. Its records are continually out of date, inaccurate and incomplete.
- b. It provides no assistance to the Bases which reduces Base workloads.
- c. It provides no method of charging material costs to using projects until so far after the fact that it is useless for project obligation control.

No improvement can be predicted in the foreseeable future without increasing skilled manpower both at the FE Support Base and other [REDACTED] Bases to a considerable degree. Utility of results, even then, are questionable. 25X1A

3. Tab E outlines a simple, workable decentralized supply control system which will work and, in my opinion, provide all really essential supply control and reporting data needed. Change to this system would enable us to abolish the Supply Control Center and eliminate most of the personnel and all of the machines now used for this purpose.

4. Tab F outlines a somewhat more complicated decentralized supply control system which would provide additional financial control mechanisms

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involving essentially a fiscal duplication of supply accounts, together with periodic time consuming reconciliations between these accounts to no apparent useful purpose other than as a further check on supply account accuracy. As supply accounts are now audited annually by our independent auditor it is at least questionable whether we can afford the further refinement of duplicate fiscal records and detailed reconciliations in terms of dollars. Change to this system, while eliminating the machine operation, would require the continued services of at least twelve (12) of the [REDACTED] positions now authorized for Supply Control Center activities.

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5. It is recommended that the Chief of Station, [REDACTED] recommend to Headquarters that:

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a. The Supply Control Center system now in effect in the [REDACTED] Area be eliminated.

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b. The system recommended in Tab B of attached study (reference A) be adopted in place thereof.

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c. That eleven (11) of the [REDACTED] positions now authorized for Supply Control Center activity at the 44 Support Base be eliminated and the Support Base T/O changed as indicated in reference B, attached.

d. That a maximum of sixty (60) days from receipt of approval from Headquarters be authorized to effect an orderly changeover.

e. That upon completion of changeover the IBM machines now being utilized at this Base be withdrawn for return to IBM or use elsewhere.

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Enclosure:

Copy of Refs. A and B

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attachment